

A. Overview

RFO DOF-0043-06 is being released by the state to solicit offers from qualified vendors to provide the Department of Finance (Finance) with a project manager for the Budget Information System (BIS) Project. The project manager will be responsible for the overall, day-to-day operation of all phases of the BIS Project to ensure that the project is completed within scope, on-time, and within budget. Working closely with the BIS Project Director, the project manager will manage an integrated project team that consists of both internal Finance teams and external vendor teams retained by Finance for the procurement, development, integration and implementation of an enterprise-wide solution.

Finance does not currently have a project office. Therefore, in addition to providing a project manager for the BIS Project, the vendor must provide staff to establish a BIS project office. The staff must transition the BIS project office to Finance staff, providing sufficient knowledge transfer and mentoring in order to support the continued operation by Finance.

The BIS project manager must be available on-site for the period of time as identified in Section B. Period of Performance, below. The vendor's staff who will establish the BIS project office must be available on-site from October 2006 through July 2008, after which the project office must be fully transitioned to well-trained Finance staff.

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Vendors must demonstrate their experience in the following areas:

- Overseeing the work efforts of various project contractors/vendors retained by the state and state resources.
- Managing large-scale projects within the public sector environment (e.g., schedule management, risk management, change control, communications management, cost management, etc.).
- Working with the public sector in requirements definition, RFP development, and requirements validation.
- Implementing commercial-off-the-shelf (COTS) enterprise resource planning (ERP) systems, including work on projects that resulted in the successful implementation of an enterprise solution.
- Leading large scale collaborative efforts and group work sessions with users from various backgrounds.
- Evaluating public sector budget and accounting activities for business re-engineering opportunities.
- Knowledgeable of, or demonstrates the ability to quickly learn, the state's financial management system (accounting and budgeting).
- Understanding of the state's procurement processes, requirements, and State Administrative Manual (SAM) guidelines.
- Establishing project management offices and formalizing procedures for project tracking, monitoring and performance reporting.
- Providing staff with applicable experience and qualifications that possess strong written and oral communication skills.

The following summarizes services to be provided by the contractor:

- Manage the day-to-day activities of the BIS Project, including activities performed by contracted vendors, to ensure that the BIS milestones are met as identified in the project schedule and agreed upon by the Project Director.
- Oversee and monitor all project management activities related to the BIS Project including, but not limited to:
 - Risk Management
 - Change Management
 - Issues Management and Escalation
 - Communications Management
 - Quality Management
 - Cost and Schedule Management.
- Maintain an integrated project schedule that reflects the major activities of all contracted vendors and state teams for the BIS Project.
- Review and make recommendations related to deliverables submitted to the Project Director for approval.
- Advise the BIS Project Director and Project Sponsor on issues that arise during the course of the BIS Project.
- Make presentations to committees, as required by the Project Director.
- Prepare reports and white papers, as required by the Project Director.
- Lead weekly status meetings.
- Establish the BIS project office, including all standards, processes, procedures, and templates.

B. Period of Performance

The term of this Agreement begins on the date as indicated on the Standard Agreement (STD 213) for a two year period with up to three extensions, each extension not to exceed a twelve month period with the contractor performing the work under the same terms and conditions specified in this offer. Contract extensions will be at the mutual agreement between Finance and the contractor.

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The Contractor shall not be authorized to deliver or commence performance of services as described in this Statement of Work (SOW) until written approval has been obtained from all entities. Any delivery or performance of service that is commenced prior to the Finance signing the Agreement shall be considered voluntary on the part of the Contractor. The period of performance may be changed by a written Amendment to the Agreement.

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C. Prime Contractor Responsibilities

A vendor submitting an offer that results in the award of a contract will be considered the prime contractor. The prime contractor accepts full responsibility for coordinating and controlling all aspects of the contract, including support or activities to be performed by any sub and/or secondary contractors. The prime contractor will be the sole point of contact with the state relative to contract performance. If this performance involves the use of one or more program products proprietary to another firm, the prime contractor will be responsible for acquiring a proper license for the state's use of such program products. If any offer includes equipment or

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services provided by other firms, the prime contractor will be considered as prime contractor for the delivery, and maintenance of the entire business solution.

In all contractual matters, the state will consider the prime contractor to be the sole point of contact. There will be no assignment of responsibility to a third party without prior written approval from Finance.

D. Subcontractors

If the vendor's offer involves the use of subcontractors, any subcontractor proposed for a portion of the project that exceeds ten percent (10%) of the total project cost must also comply fully with the Administrative Requirements listed in Section III, and must submit responses according to the requirements identified below, in the same manner required of the prime contractor.

D.1 Vendor Responsibility for the Performance of Subcontractors

If any offer includes components and/or services, provided by other firms, the prime vendor shall be held responsible for the performance of the subcontractors.

The vendor awarded the contract will be responsible for coordinating and controlling all aspects of his/her offer, including support to be provided by any subcontractor and/or secondary contractors, and will be the sole point of contact with the state relative to contract performance. If this performance involves the use of one (1) or more proprietary product(s), the prime vendor will be responsible for acquiring a license for the state's use of such products.

D.2 Subcontractor Requirements

Any subcontractor that the vendor chooses to use in fulfilling the requirements of this RFO shall also meet all Administrative Requirements described in Section III and the requirements described below. The vendor awarded the contract will be responsible for coordinating and controlling all aspects of his/her offer, including support to be provided by any subcontractor and/or secondary contractors, and will be the sole point of contact with the state relative to contract performance.

D.3 Subcontractor List

Each participating vendor shall submit Exhibit III-E with the offer, supplying a list of proposed subcontractors or indicating on such form that none are to be used.

D.4 Subcontractor Changes

Advance notification of a contemplated subcontractor change, the reasons for such change, and a subcontractor transition plan shall be provided to the state no less than seven (7) calendar days before the termination of an existing subcontractor. The state shall approve any changes to the subcontractor(s) before the termination of the existing subcontractor(s) and hire of a new subcontractor(s). All subcontractor(s) presented by the prime contractor for consideration shall be subject to individual reference checks. Reference checks must result in a positive reference and demonstrate a strong probability of successful performance on this project as determined by the state.

The contractor shall not change any subcontractor(s) if the state determines that the change will be detrimental to the work to be performed under the contract.

E. Vendor Project Experience

Vendors must meet the following minimum firm project experience requirements. Within the offer, vendors must demonstrate how their firm meets the following minimum requirements through information provided, including, but not limited to, the Vendor Experience Summary (Exhibit III-G), proposed project management plan, and customer references. If vendors have additional experience, etc., additional value-added points will be given as stated in Section VI, Offer Evaluation. The state reserves the right to contact any and all of the customers provided by the vendor to validate the vendor's response to this RFO.

E.1 Three (3) years experience having the primary responsibility for application designs and implementations.

E.2 Experience managing projects that had a phased implementation strategy (e.g., by organization, region, module, etc.) or programs whose projects have been implemented at different times. A program is defined as a group of related projects managed in a coordinated manner.

E.3 Experience establishing two or more project offices including, but not limited to, defining staffing levels, determining methodologies, establishing standards, and implementing procedures, tools and techniques. The vendor's proposed project office resources will be required for the first two years of the project, after which the state will provide resources to continue support of the project office.

E.4 The vendor shall make available within five (5) days of the Project Director's written request, additional resources with IT technical knowledge and experience to assist in his/her performance of project management work. A total of \$25,000 will be included in the contract cost and to be used if deemed necessary by the Project Director. (The classifications and hourly rates for these resources should be independently identified in the Cost Worksheet.) A format for a work order will be created after contract award.

The requirements identified above are the mandatory minimum firm requirements that must be met by a vendor. The following are those firm requirements that are desirable. Vendors demonstrating experience in these areas will be given additional value-added points as stated in Section VI, Offer Evaluation.

E.5 Experience with the implementation of one or more financial systems, with each implementation having a minimum one-time project cost of ten (10) million dollars.

E.6 Experience managing the configuration and implementation of a tier-one commercial-off-the-shelf (COTS) enterprise resource planning (ERP) application.

Deleted: Five (5) years of project management experience having the primary responsibility for directing and overseeing all phases of a systems integration project, including, but not limited to, requirements definition; acquisition selection (software and system integrator); software modification, customization, and configuration; training; implementation; change management; and maintenance and operations

Deleted: E.2. Experience with the implementation of two or more financial systems, with each implementation having a minimum one-time project cost of ten (10) million dollars.¶

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Deleted: E.4. Experience managing the configuration and implementation of a tier-one commercial-off-the-shelf (COTS) enterprise resource planning (ERP) application. ¶

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F. Staff Experience

Vendors must meet the following minimum staff experience requirements. Within the offer, vendors must demonstrate how their proposed staff meets the following requirements through information provided, including, but not limited to, the Proposed Staff Experience Summary (Exhibit III-H), proposed project management plan, staff resumes, and customer references. If staff has additional experience, etc., additional value-added points will be given as stated in Section VI, Offer Evaluation. The state reserves the right to contact any and all of the customers provided by the vendor to validate the vendor's response to this solicitation document.

- F.1 Within the offer, the vendor must identify the resources to be allocated. For each resource, the vendor must identify the respective project role, estimated number of hours per week, and total number of hours per fiscal year. Vendor must identify project team resources assigned specifically to establish the BIS project office, as these resources should be available only during the first two years of the vendor's contract, October 2006 through June 2008, after which Finance will assign state resources to assume support functions.
- F.2 Proposed project manager must possess, at a minimum, a Project Management Institute (PMI®) Project Management Professional (PMP) Certification. A copy of this certification must be provided in the offer. For additional project management certifications, the vendor must identify the name of the certification, source of the certification, and certification ID within the offer and the staff's resume.
- F.3 Proposed project manager must possess a minimum of ten (10) years of project management experience which has included primary responsibility for directing and overseeing all phases of a systems integration project, including, but not limited to, requirements definition; acquisition selection (software and system integrator); software modification, customization, and configuration; training; implementation, change management; and maintenance and operations.
- F.4 Proposed project manager must have experience with the implementation of at least one financial system, with each implementation having used a phased implementation strategy.
- F.5 Proposed project manager must have experience coordinating and monitoring an integrated project team that consists of team members from multiple functional areas (e.g., budgeting, accounting, procurement and contracting, information technology).
- F.6 Proposed project manager must have experience directing a project team with a minimum of twenty (20) team members. The project team must have consisted of staff from various sources including, but not limited to, client staff, contracted resources, and vendor resources.
- F.7 Proposed project manager must have experience maintaining an integrated project schedule which has consisted of a project with multiple implementation phases and/or a program with multiple projects. A program is defined as a group of related projects managed in a coordinated manner.

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- F.8 Proposed business analyst(s) must possess a minimum of five (5) years of analysis and documentation experience including, but not limited to, defining and documenting processes and/or procedures using Microsoft Office and Visio, establishing and/or operating a project office, and performing knowledge transfer activities.
- F.9 Proposed project team must have experience establishing two or more project offices including defining staffing levels, determining methodologies, establishing standards, and implementing procedures, tools and techniques.
- F.10 Proposed project manager must have experience making formal and informal presentations to various levels of project stakeholders (i.e., sponsors, executive committees, project teams) and leading structured discussion sessions. This includes the development of visual presentations and handouts used as part of the oral presentation.
- F.11 Proposed project manager must have experience preparing written documents such as project status reports, white papers identifying issue and corresponding resolution/recommendation, and project management reports.

G. Project Management Requirements

The vendor will be responsible for: 1) establishing a BIS project office, 2) serving as overall BIS project manager, and 3) working closely with Finance and other BIS contracted vendors, including but not limited to the acquisition contractor, Independent Project Oversight/Independent Verification & Validation (IPOC/IV&V) contractor, and software and systems integration contractors, to ensure the overall success of the BIS Project. This section identifies the minimum project management requirements and vendor's responsibilities.

- G.1 Since Finance does not have a formal project office, the vendor shall lead the BSDU in establishing a project office specific to BIS. The project office should be based on the methodologies supported by the Project Management Institute® (PMI). This includes identifying an organization structure, staffing levels, procedures, document library structures, and any other activities associated with a project office.
- G.2 Working with the Project Director and BIS project office, the vendor shall be responsible for the day-to-day operations of the BIS Project, conducting all the administrative, technical and resource management activities necessary to plan, coordinate, monitor and report the status of all project tasks.
- G.3 Working with the BIS project office and the other team managers, the vendor shall coordinate and monitor BIS project activities of Finance resources and the resources of various contractors, in accordance with the terms and conditions between Finance and those contractors, for all phases of the project including requirements definition, acquisition, design, configuration, integration, testing, change management, deployment, Finance and department staff training, implementation of COTS application and all related hardware and software, and any other appropriate project activities. "Contractors" include the acquisition contractors, COTS product contractors, system integration contractors, other BIS application contractors, and any

of these contractor's sub-contractors. The activities of the IPOC/IV&V are excluded from the project manager's oversight.

- G.4 The vendor shall work with the BIS project office in responding to requests from control agencies, the Enterprise Leadership Council, and any other external stakeholder, as needed.
- G.5 The vendor shall provide the BIS IPOC/IV&V consultant with required documents including, but not limited to, ongoing project status reports, deliverable outlines, final deliverables and any other information requested by the IPOC/IV&V.
- G.6 Within ten (10) business days of the award of the contract, the vendor shall review the existing COA/acquisition project schedule and respective project management plan, previously approved by the Project Director, and deliver an Acquisition Management Evaluation Report providing an overall assessment of the existing BIS acquisition effort. At a minimum, the assessment must identify issues, risks, areas for improvement, concerns and recommendations.
- G.7 Within thirty (30) calendar days from the award of the contract, the vendor shall deliver the BIS project management plan that includes, at a minimum, the requirements identified in section H. Project Management Approach below.
- G.8 The vendor shall oversee all changes to the BIS project management plan and all management plans developed by each contractor. Changes to the BIS project management plan may be requested by the Project Director at any point in time to reflect necessary changes to the project.
- G.9 The vendor shall keep the Project Director apprised of the overall project status in a timely manner. The vendor must provide bi-monthly Status Reports that identify ongoing activities, completed activities, and planned activities for the period. The report must also identify project issues and risks along with corresponding mitigation action taken during the reporting period, deliverables expected to be completed in the next two reporting periods, and new issues and risks that have been identified as a potential impact to the project. Once a month, the Status Report must include an updated BIS integrated schedule, developed in MS Project 2003.
- G.10 The vendor and other contract managers shall attend weekly status meetings with the Project Director and BIS project office.
- G.11 The vendor shall work with the BIS acquisition contractor in the preparation of the BIS software and systems integration RFP, development of proposal evaluation criteria, and the evaluation of proposals, resulting in the selection and recommendation of a solution that includes a COTS software product and a system integrator.
- G.12 The vendor must work with the BIS acquisition contractor and the system integrator contractor to ensure that the software and systems integrator RFP and the system integrator's project management approach and plan is aligned with the overall BIS project management plan developed and maintained by the vendor. At a minimum,

the system integrator's plan must include a description of the contractor's project management strategy for meeting the requirements as defined in the RFP awarded and that all appropriate sections include the required level of detail, are consistent with the overall BIS project management plan, and are aligned with the PMI's Project Management Body of Knowledge (PMBOK).

- G.13 The vendor shall deliver a Requirements Traceability Plan. At a minimum, the plan must define the process and tools to be used in evaluating and verifying the traceability of requirements to all system components during design, development, and testing activities; process for documenting and correcting inconsistencies; process participants; and the role of the BIS project manager.
- G.14 The vendor shall oversee and monitor the processes by which the BIS software and system integration contractors and all sub-contractors develop and validate BIS functional, technical, implementation and service support requirements.
- G.15 The vendor shall oversee, analyze, monitor, and integrate the project schedules of the various contractors retained for the BIS Project in order to maintain a single integrated overall BIS project schedule. The vendor shall work with the contracted managers to resolve issues and mitigate potential problems pertaining to BIS.
- G.16 The vendor shall manage to all milestone and deliverable dates provided within the Final BIS Project Schedule, for each phase of the project, as approved by the Project Director.
- G.17 The vendor shall coordinate and monitor to completion all tasks, milestones and deliverables of all project resources, including all contractors, sub-contractors and assigned state resources.
- G.18 The vendor shall review all project requirements, procedures, architecture and deliverables for compliancy with industry best practices. The vendor shall notify the Project Director of deviations from industry best practices and provide alternatives and a recommendation to correct the deviation.
- G.19 The vendor shall deliver an Organizational and Process Change Opportunities document. This document must provide specific suggestions related to business process reengineering opportunities that Finance may consider to increase overall efficiency and effectiveness in the BIS functional areas (e.g., accounting, budgeting, etc.). The document must also include specific recommendations for managing organizational change and change readiness.
- G.20 The vendor shall not assign any project management task or responsibility, other than the tasks and activities identified as knowledge transfer, to the Finance resources, or allocate Finance resources to project management tasks or responsibilities, unless specifically identified in the project plan or previously approved by the Project Director.

H. Project Management Approach

Within the offer, the vendor must submit a proposed BIS project management plan. The project management plan must demonstrate the vendor's understanding of the business requirements specified in this section and the vendor's knowledge in the area of project management. This plan also provides an opportunity to demonstrate the vendor's skill in presenting written information. The project management plan included in the offer will be scored based on the responsiveness to the requirements specified in this section, as discussed in Section VI, Offer Evaluation.

- H.1 The vendor shall comply with the project management practices and processes required by Finance's Information Technology Oversight Framework, which is available at: http://www.dof.ca.gov/OTROS/StatewideIT/SIMM/SIMM45/IT_OvrsghtFrmwrkR2-25-04s.pdf. The vendor shall work with all other BIS contractors, sub-contractors, and Finance staff assigned to the BIS Project as part of compliance with this requirement.
- H.2 The vendor shall adhere to project management procedures, as documented in the PMI PMBOK methodology, supplemented with the Institute of Electrical and Electronics Engineers (IEEE) practices, or other recognized project methodology that can be mapped to IEEE practices, or as approved by the Project Director.
- H.3 The vendor shall establish a BIS project office. Within the proposed project management plan overview included in the offer, the vendor shall describe the approach to establishing a project office, components to be included within a project office, deliverables to be developed to support the project office, and the vendor's overall approach to knowledge transfer and the transition of responsibilities to Finance.
- H.4 The vendor shall be responsible for developing a detailed project schedule for the establishment of the BIS project office. Within the proposed project management plan overview included in the offer, the vendor shall provide the proposed project schedule for establishing the BIS project office. The project schedule must include specific tasks, task dependencies, milestones, task owners, and duration for all BIS efforts for which the vendor is responsible.
- H.5 The vendor shall be responsible for managing an integrated BIS project schedule that reflects all work performed on the BIS Project by all organizations and contractors (e.g., Finance, systems integrator, etc.). Within the proposed project management plan overview included in the offer, the vendor shall identify major phases, activities, and milestones that may accurately represent the overall BIS Project. Note: the final integrated project schedule will be developed with the BIS acquisition contractor and BIS software and system integration contractors.
- H.6 The project management plan must define the project's approach for managing risks. Within the vendor's project management plan overview included in the offer, the vendor shall describe the proposed approach to risk management. At a minimum, the

vendor must describe the approach to risk identification, risk analysis, risk response development, and risk monitoring.

- H.7 The project management plan must define the project's approach for managing changes that impact project scope, schedule, and/or budget. Within the project management plan overview included in the offer, the vendor shall describe the proposed approach to change management. At a minimum, the vendor must describe the approach to change identification, impact evaluation, change authorization, and change implementation.
- H.8 The project management plan must define the project's approach for managing issues, including the process for escalating issues requiring resolution by project executives (e.g., Project Director, Project Sponsor). Within the vendor's project management plan overview included in the offer, the vendor shall describe the proposed approach to issues management. At a minimum, the vendor must describe the approach to issue identification, impact evaluation, issue escalation, and issue resolution.
- H.9 The project management plan must define the project's approach for managing the communication of information to various stakeholders. Within the vendor's project management plan overview included in the offer, the vendor shall describe the proposed approach to communications management. At a minimum, the vendor must describe the approach to stakeholder identification, communications requirements analysis, and information distribution types, methods and frequencies.
- H.10 The project management plan must define the project's approach for managing quality. Within the vendor's project management plan overview included in the offer, the vendor shall describe the proposed approach to quality management. At a minimum, the vendor must describe the approach to quality planning, quality assurance, and quality control.
- H.11 The project management plan must define the project's approach for managing costs and schedule and determining value. Within the vendor's project management plan overview included in the offer, the vendor shall describe the proposed approach to cost and schedule management. At a minimum, the vendor must describe the approach to cost control, value determination, and project schedule maintenance.
- H.12 The project management plan must identify all project management tools. Within the vendor's project management plan overview included in the offer, the vendor shall identify tools to be used, the respective software vendor, software version, and purpose of the tool. If a requested tool is non-standard and is approved by the Project Director, the purchase will be made through the BIS project office.

I. Work Standard Requirements

The vendor must adhere to the following work standard requirements:

- I.1 The vendor shall use Microsoft Office 2003 and Microsoft Project 2003 in the preparation of all project correspondence and deliverables, which the BIS project office will ultimately be responsible for using and maintaining.
- I.2 The vendor shall store all project work papers, hardcopy and electronic copy, in the file structures established by the project office, including the Vendor's Library.
- I.3 All vendor staff assigned to the BIS Project must comply with all Finance security and confidentiality policies and procedures. Each of the staff persons of the successful vendor must sign formal compliance agreements regarding security and confidentiality.
- I.4 The vendor shall participate as a non-voting member of the Budget Practices Council (BPC) or any other similar steering committee.

J. Deliverables and Payment

In addition to preparing miscellaneous reports and presentations to the Executive Leadership Council (ELC), BPC and other internal and external stakeholders as requested, the vendor will be required to formally submit project deliverables throughout the BIS Project. Project deliverables must be prepared and submitted by their scheduled completion date. The project deliverables must comply with contractual requirements. Final deliverables that meet contractual requirements will be approved by the Project Director, who will sign the respective deliverable transmittal letter. Project deliverables that do not meet contractual requirements will be returned to the contractor as incomplete. Project deliverables submitted after their scheduled completion date will be reviewed in a timely manner, but are not subject to the ten (10) state business days turnaround requirement.

At a minimum, the project deliverables identified in the following table must be submitted to the Project Director. Within the offer, the vendor should identify additional deliverables and milestones that should be completed as they relate to the management and implementation of ERP financial modules. For all identified deliverables, the vendor must complete the following table.

Table II-1 – Deliverable and Milestones

Deliverables and Milestones	Estimated Hours	Estimated Completion
Project Status Reports		Every 2 Weeks
Updated BIS Integrated Project Schedule		Monthly
Project Status Presentation to BPC/Steering Committee		As Needed

Deliverables and Milestones	Estimated Hours	Estimated Completion
Acquisition Management Evaluation Report Deliverable Outline		Within 3 business days of vendor's start
Acquisition Management Evaluation Report		Within 10 business days of vendor's start
BIS Project Management Plan Deliverable Outline		Within 10 calendar days of contract award
BIS Project Management Plan		Within 30 calendar days of contract award
Initial BIS Integrated Project Schedule		Within 30 calendar days of contract award
Requirements Traceability Plan Deliverable Outline		Proposed date to be identified in submitted offer
Requirements Traceability Plan		Proposed date to be identified in submitted offer
Organizational and Process Change Opportunities		Proposed date to be identified in submitted offer
Project Office Deliverable Outlines		Proposed date to be identified in submitted offer
Project Office Documented Processes and Procedures		Proposed date to be identified in submitted offer
Project Office Templates		Proposed date to be identified in submitted offer
Project Management Requirements for Software and Systems Integrator RFP		Proposed date to be identified in submitted offer
Release of System Integrator RFP		To Be Determined by Acquisition Contractor/Finance
Evaluation of System Integrator Proposals		To Be Determined by Acquisition Contractor/Finance
Evaluation of Systems Integrator Management Plan		Within 30 calendar days of System Integrator contract award

Deliverables and Milestones	Estimated Hours	Estimated Completion
Updated BIS Integrated Project Schedule (includes Systems Integrator's activities)		Within 30 calendar days of System Integrator contract award
Updated BIS Project Management Plan (incorporating Systems Integrator elements)		Within 45 calendar days of System Integrator contract award
Review of Systems Integrator Deliverables		Ongoing as defined in Final Integrated Project Schedule

- J.1 Weekly timesheets for each member of the vendor's team will be submitted to the Project Director for approval. Monthly invoices must identify the staff person, hours, rate, and a summary of the activities performed for the period. Invoicing for the team members will be based on previously approved weekly timesheets. Payments will be made through the state vendor payment process, upon receipt and approval of a monthly invoice.
- J.2 The vendor shall work with the BIS project contractors to establish a format and outline for each deliverable and obtain approval from the Project Director prior to deliverable preparation.
- J.3 The vendor shall meet with the Project Director or designee and other appropriate resources to review an outline of each project deliverable in advance of its preparation. This process should properly establish expectations regarding the content of the deliverable and identify acceptance criteria, thereby facilitating the review process.
- J.4 The vendor shall not change a deliverable that has been accepted by the Project Director without prior approval.
- J.5 The vendor must agree that unless agreed otherwise the state shall have not less than ten (10) state business days to review deliverables. Should revisions be required, the contractor will receive written notification from the appropriate team lead or project office of required changes. Requested changes will be reflected in a revised deliverable and re-submitted within five (5) state business days. The Project Director, at his discretion, may allow a period longer than the five (5) state business days considering the scope of the changes. Unless otherwise agreed upon, the state's review time after receipt of the revised deliverable shall not be less than five (5) state business days.

- J.6 For document revisions requested by either the Project Director or project office, the vendor must clearly identify the revisions by using track changes or by highlighting where automated tracking is not a software feature.
- J.7 The vendor must agree that state personnel will be responsible for final review and approval of each deliverable certified as complete by the COA/acquisition contractor or the system integrator. The vendor's signature will be required on the transmittal letter that accompanies the contractor's deliverables prior to being delivered to the Project Director, acknowledging review and recommended approval.
- J.8 Deliverables that are the sole responsibility of the project manager (Table II-1, Deliverables and Milestones) must be accompanied with a transmittal letter signed by the project manager and submitted to the Project Director for final acceptance.
- J.9 The vendor must agree that the Project Director's acceptance of deliverables shall be based upon the following:
1. The deliverable must address all components identified in the requirements and any area agreed upon subsequently through meeting and planning sessions.
 2. Deliverable documents must be comprehensive in level of detail and quality consistent with the sample pages presented to and approved by the Project Director.
 3. Deliverable documents must be organized in a structured manner and be professional in presentation.
 4. Deliverable documents must be consistent throughout in style and quality. This means that if the document is the composite effort of many people within the project, the document must be edited for style and consistency and must adhere to the Finance Style Guidelines which can be found at: <http://www.dof.ca.gov/fisa/bag/WrtngStyleGdlns.pdf> from the Finance intranet home page.

K. State Responsibilities

- K.1 Provide up to two workstations which will include Microsoft Office 2003, Microsoft Project 2003, Visio 2003, virus protection software and other project related software as needed. Vendor resources exceeding the number of workstations provided by Finance will be required to provide their own workstations and/or laptops and required software.
- K.2 Provide onsite workspace for a project manager and one business analyst (additional/temporary workspace may be available on as needed basis). This may include the assignment or use of hardware, connection to LAN, telephone, fax, copy machine, and other resources as needed.
- K.3 Provide workspace for work sessions, meetings, conferences, presentations, etc.

- K.4 Provide issue resolution support for differences that can not be resolved between the project manager and other BIS contractors or state team managers, or regarding the direction of the project.
- K.5 Provide physical space for the storage of hardcopies of documentation for a BIS Vendor's Library and Project Library.
- K.6 Review draft deliverables within the timeframe agreed to by the Project Director (not less than ten state business days). Final deliverables resulting from required changes will be reviewed within the timeframe agreed to by the Project Director (not less than five state business days).
- K.7 Have final approval and acceptance of all project deliverables.
- K.8 Procure additional products or services not identified in the Project Management Plan that is adequately justified by the project manager and approved by the BIS Project Director.
- K.9 Provide resources to assume the responsibilities of the day-to-day tasks of the project library in the third year of the contract engagement.
- K.10 Oversee of the activities of the BIS IPOC/IV&V consultant.

L. Facilities and Resources

- L.1 The vendor's project manager must be available onsite (915 L Street, Sacramento) for the duration of this project, as defined in Section B. Period of Performance above.
- L.2 For the project manager, a standard work week is defined as 40 hours, five-days a week, Monday through Friday, except for state holidays. However, the number of hours may fluctuate depending on the phase of the project. Any reduction to the standard work week must be agreed upon by the BIS Project Director.
- L.3 For other project team resources assigned to assist in establishing the project office, a work week is defined Monday through Friday, except state holidays. However, the hours required will vary depending on the project phase and upcoming tasks to be completed. Resources should be available the first two years of the project, October 2006 through June 2008 after which Finance will assign state resources to assume support functions. All work must be conducted onsite (915 L Street, Sacramento).
- L.4 Finance will provide two onsite workstations to the vendor, per Section K, State Responsibilities above. Vendor resources exceeding the number of workstations provided by Finance will be required to provide their own workstations and/or laptops and required software. Vendor staff using personal laptops will be required to sign a security agreement with Finance before LAN connection is permitted.

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- L.5 The vendor shall coordinate with the project office the acquisition and procurement of products and services required in the BIS Project. Acquisitions not identified in the BIS Project Management Plan must be approved by the Project Director.

M. Special Terms and Conditions

M.1 Contract Termination

The state intends to retain the required services for the period specified in this RFO. In the case of early termination, no explicit termination charges will be applied.

M.2 Payments and Invoices

Monthly invoices shall include the Agreement Number and shall be submitted in triplicate in arrears to:

Department of Finance
Business Services
915 L Street, Room G390
Sacramento, CA 95814
Attn: Andrea Corona

Invoices must include the following:

- a. A certification statement signed by a company official, attesting to the accuracy of the invoice data.
- b. Copies of signed timesheet(s) supporting the billed hours, if applicable.

If Finance does not agree with the detailed invoice, payment of the invoice shall be withheld by Finance and the contractor will be notified. The contractor must take timely and appropriate measures to correct or remedy the reason(s) for rejection and resubmit the invoice.

M.3 Budget Contingency Clause

It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of legislative appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.

This Agreement is valid and enforceable only if (1) sufficient funds are made available by the State Budget Act of the appropriate state fiscal year(s) covered by this Agreement for the purposes of this program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Legislature or any statute enacted by the Legislature which may affect the provisions, terms, or funding of this Agreement in any manner.

It is mutually agreed that if the Legislature does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

The Finance has the option to invalidate the Agreement under the 30-day cancellation clause or to amend the Agreement to reflect any reduction of funds.

M.4 Contractor Staff Changes

The BIS Project Director shall approve any changes to the contractor's staff before replacement of a staff member. This includes any changes that occur between the submission of the vendor's offer and the initiation of the project. The contractor shall not reassign the project manager if the state determines that the reassignment will adversely affect the work to be performed on this project. The contractor shall not reassign the project manager identified in the offer, with the exception of those events outside the contractor's control. If resignation or other unforeseeable event prevent the project manager from reporting to work for any duration of the contract term, the contractor shall notify the state in writing within seven (7) calendar days of the event, provide the state with at least two (2) replacement candidates that meet or exceed the experience and skill level that was presented by the contractor and was scored by the state as part of the offer.

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The state will evaluate replacement candidates for the project manager based on the criteria set forth in this RFO. The contractor shall assign the state-selected project manager to the BIS Project upon state's approval of the replacement project manager. Under no circumstances shall the contractor replace a selected project manager unless the state agrees in writing to such replacement.

All staff presented by the contractor must include resumes and experience summaries for review by the state and shall be subject to an individual reference check. Reference checks must result in a positive reference and demonstrate a strong probability of successful performance on this project as determined by the state.

The state shall not compensate the contractor for any time or effort required to prepare the new staff member for work on the project.

The state, for cause, reserves the right to require the contractor to replace the assigned project manager at any time. The state will notify the contractor in writing when exercising that right, providing the contractor with the cause. The contractor, within fourteen (14) calendar days of such notification, shall provide a replacement candidate that meets or exceeds the requirements for a project manager as defined in this RFO. The submission of a resume and experience summary and interview with the Project Director will still be required. The contractor shall assign the replacement project manager to the BIS Project within two weeks of the BIS Project Director approval of the replacement.

M.5 Confidentiality

To preserve the integrity of the security and confidentiality measures integrated into the agencies automation system, each contractor is required to sign a Conflict of Interest/Confidentiality Certification attached as Exhibit III-B in Section III, Administrative Requirements, and must be submitted by the date specified in Section I and as part of this RFO. Similarly any contractor and each of their employees engaging in services to the Finance related to this RFO and the resulting contract, requiring them to come into contact with confidential agency information, will be required to exercise security precautions for such data they may come in contact with. Each of the employees of the successful vendor, and any

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Addendum 2

subcontractors and their employees must sign formal compliance agreements regarding security and confidentiality (Exhibits III-C and III-D).